

GOED Board Meeting Minutes

May 11, 2017 • 10:00 a.m. – 12:00 p.m.
 Governor's Office of Economic Development
 60 E South Temple, Suite 300
 Salt Lake City, UT 84111

Members Present:	Mel Lavitt, Stefanie Bevans, Jerry Oldroyd, Jake Boyer, Bevan Wilson, Bob Frankenberg, Lorena Riffo-Jensen, Josh Romney, Christopher M. Conabee, Annette Meier, Susan Johnson
Members Excused:	Peter Mouskondis, Brent Brown, Margo Jacobs
Staff:	Val Hale, Ben Hart, Julia Barnhouse, Ginger Chinn, Aimee Edwards, Lynne Mayer, Hillary Bowler, Sara Adleman, Chase Christiansen, Linda Gillmor, Kamron Dalton, Virginia Pearce
Visitors:	Theresa Foxley, Mike Flynn, Susan Eisenman, Brice Wallace, Max Backlund, Becca Haynie, Keith Morey, Aaron Valentine, Nathan Millecam, Kirk Jensen, Neil Abercrombie, Maria Emmer, Mayor John Bramal, Jeriah Threlfall

Welcome

Mel Lavitt welcomed everyone to the May 11, 2017 GOED Board Meeting.

Approval of the Minutes

MOTION: Stefanie Bevans motioned to approve the April 13, 2017 minutes. Josh Romney seconded the motion. The motion carried unanimously.

EDTIF – Varo Money**Project Highlights**

Timeline:	2017
Target Industry:	Financial Technology
Proposed Location(s):	Salt Lake City
Capital Investment:	\$2,800,000

Company Overview

Varo Money is a new mobile banking platform aimed at helping credit-worthy, cash-strapped, hands-off millennials manage monthly expenses, accumulate savings, and optimize finances to ensure their money is working for them.

Incentives Committee Recommendation

Total amount of EDTIF, post-performance refundable tax credit:	\$336,382
The amount represents the following percentage of new state revenues:	20%
Number of years that incentive is approved for:	5 Years

Jobs & Revenue

Full time job over project lifetime: 331
 The company will provide full time employees with comprehensive health and retirement benefits.

New State Wages & Revenue:

New State Wages over 5 years:	\$44,500,000
New State Revenue over 5 years:	<u>\$1,681,910</u>

Local Incentive

Salt Lake City is supportive of the project and was offered an incentive of expedited permitting and fee waivers.

MOTION: Jerry Oldroyd motioned to approve Varo Money, Inc. for a \$336,382 EDTIF post-performance refundable tax credit which represents an amount equal to 20% of new state revenue for 5 years. Bob Frankenberg seconded the motion. The motion carried unanimously.

- Total EDTIF incentive not to exceed \$336,382 EDTIF post-performance refundable tax credit.
- Annual EDTIF incentive amount based on 20% of qualified new incremental state tax revenues generated and receipted in the previous calendar year.
- Total incentive not to exceed 20% & of qualified new incremental state tax revenues over 5 years with a contractual recapture provision for any excess funds paid to the company.
- Must meet new qualified employment projections, employee headcount at the stated wage % criteria at 50% for each project year.
- Annual total project average salary of new employees (not each new position, this is an aggregate annual number) to be at least 110% of the average wage each excluding company contributed health insurance.

- Must commit to keep operation in Utah for the length of the incentive period, 5 years.
- Incentives are site specific and subject to local incentive participation.
- Local incentive proposal must be presented and approved by the GOED Incentives Committee in order for company to be eligible for the incentive.
- Company must demonstrate sufficient investment, capital or other financial resources to reasonably fulfill the projections included in the application.
- Only new state revenue and new jobs created after the GOED Board final approval date are eligible for this incentive.

Aaron Valentine, Servicing and Operation Consultant for Varo Money, expressed his excitement for the opportunity to continue working in Utah with Varo Money. Aaron thanked GOED Staff and the GOED Board for their help with the project and is looking forward to expanding in the State.

EDTIF – EPS

Project Highlights

Timeline:	2017
Target Industry:	Aerospace & Defense
Proposed Location(s):	Cache County
Capital Investment:	\$11,600,000

Company Overview

EPS designs and manufactures energy storage systems, complex systems that integrate key technologies such as Lithium-Ion batteries, converters, controllers, software, and mechanical packaging.

Incentives Committee Recommendation

Total amount of EDTIF, post-performance refundable tax credit:	\$1,674,781
The amount represents the following percentage of new state revenues:	20%
Number of years that incentive is approved for:	7 Years

Jobs & Revenue

Full time jobs over project lifetime: **128**
The company will provide full time employees with comprehensive health and retirement benefits.

New State Wages & Revenue:

New State Wages over 7 years:	\$ 38,869,950
New State Revenue over 7 years:	<u>\$ 8,373,904</u>

Local Incentive

Logan is extremely supportive of this project.

MOTION: Jerry Oldroyd motioned to approve Electric Power Systems, LLC for a \$1,674,781 EDTIF post-performance refundable tax credit which represents an amount equal to 20% of new state revenue for 7 years. Sue Johnson seconded the motion. The motion carried unanimously.

- Total EDTIF incentive not to exceed \$1,674,781 EDTIF post-performance refundable tax credit.
- Annual EDTIF incentive amount based on 20% of qualified new incremental state tax revenues generated and receipted in the previous calendar year.
- Total incentive not to exceed 20% & of qualified new incremental state tax revenues over 7 years with a contractual recapture provision for any excess funds paid to the company.
- Must meet new qualified employment projections, employee headcount at the stated wage % criteria at 50% for each project year.
- Annual total project average salary of new employees (not each new position, this is an aggregate annual number) to be at least 110% of the average wage each excluding company contributed health insurance.
- Must commit to keep operation in Utah for the length of the incentive period, 7 years.
- Incentives are site specific and subject to local incentive participation.
- Local incentive proposal must be presented and approved by the GOED Incentives Committee in order for company to be eligible for the incentive.
- Company must demonstrate sufficient investment, capital or other financial resources to reasonably fulfill the projections included in the application.
- Only new state revenue and new jobs created after the GOED Board final approval date are eligible for this incentive.

Nathan Millecam, CEO of EPS, thanked GOED Staff, the State of Utah, Logan City, and Utah State University for their work and support to help bring EPS to Utah. Nate is excited to partner with Cache Valley and is looking forward to the opportunity to work in Utah.

Kirk Jensen, Economic Development Director in Cache County, expressed Cache County's support for EPS to establish operations in their area.

EDTIF – Litehouse

Project Highlights

Timeline:	2017
Target Industry:	Prepared Food Manufacturing
Proposed Location(s):	Hurricane
Capital Investment:	\$40,000,000

Company Overview

Litehouse Inc. produces and markets refrigerated salad dressings, cheeses, dips, sauces, apple ciders, and frozen dried herbs.

Incentives Committee Recommendation

Total amount of EDTIF, post-performance refundable tax credit:	\$346,763
The amount represents the following percentage of new state revenues:	20%
Number of years that incentive is approved for:	8 Years

Jobs & Revenue

Full time job over project lifetime: 165
The company will provide full time employees with comprehensive health and retirement benefits.

New State Wages & Revenue:

New State Wages over 8 years:	\$44,922,713
New State Revenue over 8 years:	<u>\$1,733,815</u>

Local Incentive

The City of Hurricane is very supportive of the project.

MOTION: Jerry Oldroyd motioned to approve Litehouse, Inc. for a \$346,763 EDTIF post-performance refundable tax credit which represents an amount equal to 20% of new state revenue for 8 years. Bevan Wilson seconded the motion. The motion carried unanimously.

- Total EDTIF incentive not to exceed \$346,763 EDTIF post-performance refundable tax credit.
- Annual EDTIF incentive amount based on 20% of qualified new incremental state tax revenues generated and receipted in the previous calendar year.
- Total incentive not to exceed 20% & of qualified new incremental state tax revenues over 8 years with a contractual recapture provision for any excess funds paid to the company.
- Must meet new qualified employment projections, employee headcount at the stated wage % criteria at 50% for each project year.
- Annual total project average salary of new employees (not each new position, this is an aggregate annual number) to be at least 110% of the average wage each excluding company contributed health insurance.
- Must commit to keep operation in Utah for the length of the incentive period, 8 years.
- Incentives are site specific and subject to local incentive participation.
- Local incentive proposal must be presented and approved by the GOED Incentives Committee in order for company to be eligible for the incentive.
- Company must demonstrate sufficient investment, capital or other financial resources to reasonably fulfill the projections included in the application.
- Only new state revenue and new jobs created after the GOED Board final approval date are eligible for this incentive.

Maria Emmer-Aanes, Director of Communications for Litehouse, expressed that Litehouse is very excited to continue doing business in Hurricane, Utah and working with the community. Maria thanked GOED Staff and Mayor John Bramal for his support of Litehouse.

Mayor John Bramal expressed his support for Litehouse and is looking forward to their expansion. He shared that Litehouse has been a great partner to Hurricane City and he looks forward to continue partnering with the company.

Rural Fast Track Grant Endorsements

ICORR Technologies

The Rural Development office recommends a Rural Fast Track grant for ICORR Technologies for the purpose of expanding current operations enabling servicing of more clients by purchasing a mud pump and rig tender truck. The company expects to create one (1) new full time positions paying at least 110% of the county average wage. The total project cost is valued at one hundred three thousand dollars (\$103,000).

MOTION: Endorse a Rural Fast Track Grant for ICORR Technologies of \$50,000.

Horizon Metals

The Rural Development office recommends a Rural Fast Track grant for Horizon Metals for the purpose of constructing a 30,000 square foot building enabling them to meet demands of a growing market. The company expects to create four (4) new full time positions paying at least 110% of the county average wage. The total project cost is valued at one million eight hundred seventy-five thousand dollars (\$1,875,000).

MOTION: Endorse a Rural Fast Track Grant for Horizon Metals of \$50,000.

Emery Animal Health

The Rural Development office recommends a Rural Fast Track grant for Emery Animal Health for the purpose of purchasing equipment to expand diagnostic and treatment services. Equipment to be purchased will enable them to be mobile and expand equine treatment at events and stables. The company expects to create one (1) new full time positions paying \$11 per hour; Note: Emery County has received a temporary adjustment from the 110% county average wage requirement for RFT Grants. The total project cost is valued at one hundred twelve thousand dollars (\$112,000).

MOTION: Endorse a Rural Fast Track Grant for Emery Animal Health of \$50,000.

Gagon Family Medicine

The Rural Development office recommends a Rural Fast Track grant for Gagon Family Medicine for the purpose of expanding current operations into Emery County with a remodeled building that will include exam rooms, x-ray room, labs and pharmacy. The RFT will be used to purchase equipment. The company expects to create five (5) new full time positions paying at least 110% of the county average wage. The total project cost is valued at one million two-hundred sixteen dollars (\$1,216,000).

MOTION: Endorse a Rural Fast Track Grant for Gagon Family Medicine of \$50,000.

MOTION: Stefanie Bevans motioned to endorse all presented Rural Fast Track Grants. Sue Johnson seconded the motion. The motion carried unanimously.

GOED Update

Val Hale, Executive Director, provided an update on upcoming events and departmental updates within GOED.

Incentives Update

Ben Hart, Deputy Director, provided an update on the Incentives Program regarding new and existing projects.

EDCUtah Update

Mike Flynn, COO of EDCUtah, presented on the status of current and upcoming projects in the pipeline.

Meeting Adjourned